

# Office of Attorney General Terry Goddard



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**FOR IMMEDIATE RELEASE**

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## **Terry Goddard Settles with Telemarketers**

(Phoenix, Ariz. – April 1, 2005) Attorney General Terry Goddard today announced a settlement with a Phoenix telemarketing operation that includes refunds to consumers and a \$100,000 civil penalty. The telemarketers claimed to sell low-interest credit cards, but in fact were selling a list of banks that provided credit cards. The cards were available to only those consumers who met a particular bank's qualifications.

The companies involved in the telemarketing were known as the Institute for Financial Advantage, Inc., Select Research Institute, For Your Information, Airtime Communications, FYI Consulting Services, Inc., Fortune IV and Research America. The businesses were owned by William R. Crosby, Sr. His children, William R. Crosby, Jr. and Paula M. Crosby, worked for one or more of these companies during the time they were in operation.

The Attorney General's Office complaint alleged that the defendants violated the Arizona Consumer Fraud Act and the Arizona Telephone Solicitations statute by leading consumers to believe that they could provide low-interest credit cards or directly assist them in obtaining low-interest credit cards which would allow them to realize substantial savings on monthly credit card payments.

Consumers paid hundreds of dollars to defendants, and instead of receiving a credit card, they were sent a 92-page booklet that contained a list of banks that provided credit cards.

The consent judgment includes the following:

- The defendants admitted that they falsely led consumers to believe that they were pre-qualified to receive a low-interest credit card from their companies.
- The defendants admitted that they falsely told consumers that the savings realized through the use of the new credit card would cover the fee being charged for the service.
- The defendants did not fully explain to consumers that, in order to receive a lower rate credit card, they were obligated to apply to and be approved by one of the banks on the list in the booklet.

The consent judgment requires the defendants to refund monies to all individuals who filed complaints with the Attorney General's Office, the Better Business Bureau and/or the Federal Trade Commission. In addition, defendants will pay to the State a \$100,000 civil penalty. The consent judgment also prohibits the defendants from engaging in any future deceptive acts and practices, and from operating any business, within the next five years, that charges a consumer's credit card without first obtaining the consumer's written authorization.

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